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**MEMORANDUM**

**TO:** Local and Intermediate School District Superintendents and  
Public School Academy Directors

**FROM:** Michael Radke, Ph.D., Director  
Office of Field Services

**SUBJECT:** Clarification Regarding Split-Funded Personnel

It has come to the attention of the Michigan Department of Education (MDE) that districts are implementing the practice of paying teacher salaries and benefits partially from general funds and partially from federal funds (Ex. Title I, Part A or Title II, Part A). This practice is called "co-funding". In very limited circumstances, co-funding may be allowable, but in many circumstances, the district is at risk of supplanting.

**Districts that choose to arbitrarily offset contracted district costs for full-time teachers with Title I, Part A funds are at high risk for supplanting and could incur penalties up to and including the recapture of the federal funds.**

In order to comply with the "supplement and not supplant" requirement, the following general guidelines and processes are offered to districts for current and future planning:

**Self Contained Elementary/Middle School General Guidelines:**

1. Co-funding of any elementary classroom teacher assigned core instruction for students under the district's collective bargaining agreement or other employment agreement is not allowable.
2. Co-funding of elementary staff other than classroom teachers may be allowable under certain circumstances. An example might be an individual who is highly qualified to provide instruction in art and Title I reading support may hold both positions at a partial FTE. It is highly recommended that Field Services be contacted prior to considering this option.

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**Non Self-Contained Middle School and High School General guidelines:**

The district must maintain the number of FTEs required to provide all basic instruction that accrues academic credit toward graduation.

**Process for Co-Funding Positions with Title I, Part A in a Self-Contained Elementary and Non Self-Contained Middle/High School:**

1. The district must then post the part-time Title I, Part A teaching positions and conduct all locally established processes for hiring.
2. The district must officially reduce classroom teacher's/pupil support personnel's assignment, through Board action or the locally established district processes, to a less than full FTE based on an established need related directly to student enrollment.
3. Each teacher supported with federal funds must have a contract, job description and assignment that identifies the applicable portion of FTE, rate of pay and job responsibilities for each position.
4. Teachers are considered "dually funded" and must complete monthly personnel activity reports (PARS) as well as time certifications biannually.

MDE does recognize that there are always exceptions to rules and that "supplement and not supplant" issues are situational and require a "case-by-case" decision. The Office of Field Services will work with districts to help determine allowable Title I costs. Please contact your regional field services consultant if there are specific co-funding situations that need to be discussed. The district is responsible for any penalty in the event that monitoring identifies any questioned costs. We recommend that you work closely with your regional field services consultant to minimize audit findings.

For clarification or questions, please contact your regional field services consultant.